

1 stuff.

2 Q. Okay. So either marketing --

3 A. Or PR.

4 Q. Did [REDACTED] ask you to comment on a recent
5 surge in XRP's price?

6 MR. HORTON: Objection to form.

7 A. It seems, yeah, somebody reached out to
8 [REDACTED] from [REDACTED] asking questions about the
9 price of XRP rallying. And she wanted to get back to
10 them. She was suggesting some language and asking me
11 for my opinion.

12 Q. And did you believe that Ripple's
13 announcements had caused an increase in XRP price?

14 MR. HORTON: Objection to form.

15 A. I don't remember.

16 Q. You write, While the recent surge in XRP is
17 certainly influenced by Bitcoin scalability issues,
18 clearly much of the recent momentum is due to the
19 announcement that [REDACTED] join Ripple's steering group
20 [REDACTED]

21 Did you write that Ripple's news had an
22 impact on XRP price?

23 MR. HORTON: Objection.

24 A. That's what I wrote, yeah.

25 Q. Did others at Ripple share that view as

1 well?

2 MR. HORTON: Objection to form.

3 A. I don't remember.

4 MS. WAXMAN: Exhibit 25.

5 (Email re: [REDACTED], Bates Stamp Numbers

6 0511391 through -392, was marked MV Exhibit 25

7 for identification, as of this date.)

8 Q. Mr. Vias, I'm showing you what's been
9 marked Exhibit MV 25, which has the Bates Stamp
10 Numbers 0511391 through -392.

11 (Witness reviewing document.)

12 Q. Do you recall this -- tell me when you're
13 done reading it.

14 (Witness reviewing document.)

15 A. Okay. I'm ready.

16 Q. Who is [REDACTED]?

17 A. I don't know of what [REDACTED] does now. At
18 the time [REDACTED] -- hmm.

19 I don't know if [REDACTED] was still at the
20 company when he sent me this email.

21 Q. Did he used to work at Ripple?

22 A. He did, yeah. He used to be the head of
23 Ripple D.

24 Q. What is Ripple D?

25 A. Ripple D is the team that works on the

1 protocol.

2 Q. An engineer?

3 A. Yes. A head of engineering for the

4 protocol.

5 Q. Now, on the second page, the paragraph that

6 says, You have to fix those relationships that the

7 leadership poorly managed or didn't manage at all, is

8 that what you wrote or is that what [REDACTED] wrote?

9 MR. HORTON: Objection to form.

10 A. It's -- just from reading the email it's

11 not clear, because it -- it seems like [REDACTED] wrote

12 something and then it says that I wrote something.

13 But it sounds like he nested -- my response -- I

14 don't -- it's super confusing. I'm not sure.

15 It sounds like he wrote it, though.

16 Q. Do you know when he -- if he wrote it, do

17 you know what he's talking about?

18 MR. HORTON: Objection to form.

19 A. If he wrote it, it would be on what's on

20 the email. No.

21 Q. In the middle of the email, at 4:34, he

22 writes to you regarding XRP trading. He says, We

23 both know that this XRP pump is speculative.

24 Is he talking about trading by XRP
25 speculators?

1 MR. HORTON: Objection to form.

2 A. I think [REDACTED] is saying that he thinks
3 that the run-up in XRP was caused by speculation.

4 Q. And did you agree with him?

5 Or what are you agreeing with in your
6 email?

7 MR. HORTON: Objection to form.

8 A. Well, [REDACTED] was a -- [REDACTED] was a colorful
9 guy. He is a colorful guy. I'm guessing he's still
10 around.

11 So it was always better just to agree with
12 [REDACTED] If not, you could get into, like, a really
13 long, drawn-out conversation as to why he was right
14 and you were wrong.

15 So I'm just agreeing with [REDACTED] Yes,
16 sir, kind of thing.

17 Q. Did you agree with the statement he was
18 saying, or were you just agreeing to agree?

19 A. I don't remember. I think I was just
20 agreeing to agree.

21 Q. At the top of the very top email, at the
22 very top, he makes a recommendation regarding XRP.

23 What is he recommending?

24 MR. HORTON: Objection to form.

25 A. I'm not -- I'm not entirely sure.

1 I don't know what he means by
2 "impressions."

3 Q. Is he recommending that Ripple do more to
4 promote XRP as an investment to speculators?

5 MR. HORTON: Objection to form.

6 A. I think he's recommending that Ripple use
7 these websites somehow to promote XRP.

8 Q. And then you write, I think you'll see
9 something like that soon, [REDACTED] Just takes a while.

10 Monica is fully -- all caps -- on board right now
11 with promoting XRP.

12 Why did you write "Monica is fully on board
13 right now"?

14 A. So I think I mentioned, I think [REDACTED] is
15 gone at this point. It's why he's emailing from his
16 Gmail account. And he's -- you know, [REDACTED] and the
17 marketing team -- this predated me. But, you know,
18 he certainly was not shy about letting me know, like,
19 how much he had argued with the marketing team.

20 And, again, [REDACTED] is an argumentative guy,
21 so it could be for a host of reasons. But here he's
22 complaining again that whatever marketing is not
23 doing what he thinks marketing should be doing. And
24 honestly, just to kind of placate him, I'm saying,
25 Hey, you know, don't worry about it. Monica is fully

150

1 on board. Like, things are going to change. We're
2 going to make you happy. [REDACTED]

3 Basically what I'm saying.

4 Q. Was Monica not fully on board with
5 promoting XRP?

6 MR. HORTON: Objection to form.

7 A. I mean, I don't remember whether she was on
8 board with something, like what he was saying. I
9 don't think so.

10 I think when I say she's "fully on board,"
11 I mean more around like -- we kind of moved beyond
12 the moment where XRP just didn't show up in the
13 narrative of the company anymore, which is what he
14 used to feel.

15 Q. So Monica, in March 2017, was including XRP
16 as part of the company's narrative?

17 MR. HORTON: Objection to form.

18 A. I don't remember.

19 Q. At the bottom of -- in the middle of the
20 bottom page, you say there are some ideological
21 differences.

22 What are you talking about there?

23 A. Oh.

24 Again, if -- if [REDACTED] wrote kind of this
25 piece here, I think I'm responding to his idea around

1 befriending Poloniex and Bitfinex, and getting closer
2 to them from a relationship perspective.

3 MS. WAXMAN: Exhibit 11.

4 (Forwarded email re: Hola!, Bates Stamp
5 0763288, was marked MV Exhibit 11 for
6 identification, as of this date.)

7 Q. Mr. Vias, I'm showing you what's been
8 marked as Exhibit MV 11, which begins with the Bates
9 Stamp 0763288.

10 (Witness reviewing document.)

11 A. Okay.

12 Q. Who is [REDACTED]?

13 A. [REDACTED] is a dentist in Portugal.

14 Q. Was [REDACTED] an investor in XRP?

15 MS. COWAN: Objection.

16 MR. HORTON: Objection to form.

17 A. From this email, if I remember correctly,
18 [REDACTED] owned XRP, yes.

19 Q. He was interested in profiting from an
20 increase in XRP price?

21 MR. HORTON: Objection to form.

22 A. Yes.

23 Q. And he was relying on Ripple to make XRP
24 increase in price?

25 MR. HORTON: Objection to form.

1 A. I don't know what [REDACTED] was relying on.

2 Q. Did you tell [REDACTED] Ripple's efforts would
3 lead to an increase in XRP price?

4 MR. HORTON: Objection to form.

5 A. Not that I remember, no.

6 Q. Did -- [REDACTED] never intended to use XRP,
7 right?

8 MR. HORTON: Objection to form.

9 A. I don't know.

10 Q. Did he ever tell you that he wanted to use
11 XRP?

12 A. I don't think so.

13 Q. In the body of the email, he talks about
14 his investment in XRP. Correct?

15 A. Yes.

16 Q. And he talks about how much he believes in
17 Ripple. Correct?

18 MR. HORTON: Objection to form.

19 Q. Why did you forward [REDACTED] email to Chris
20 Larsen?

21 A. I don't remember.

22 Q. Did you communicate with any other retail
23 XRP investors?

24 MR. HORTON: Objection to form.

25 A. Not that I remember.

1 Q. By this time, were retail investors
2 interested in buying XRP?

3 MR. HORTON: Objection to form.

4 A. I don't know.

5 MS. WAXMAN: Exhibit 12, please.

6 (Email re: Hola!, Bates 0360469, was marked
7 MV Exhibit 12 for identification, as of this
8 date.)

9 Q. Showing you what's been marked as
10 Exhibit MV 12, which begins with Bates 0360469.

11 (Witness reviewing document.)

12 A. Okay.

13 Q. What is MV 12?

14 A. It's my response to [REDACTED] email.

15 Q. And in his email, did he indicate -- in
16 MV 11, did he indicate that he was frustrated with
17 XRP price?

18 MR. HORTON: Objection to form.

19 (Witness reviewing document.)

20 A. I don't know that.

21 I'm trying to find it if it's in here, but
22 I can't find it.

23 Q. At the bottom of the page that has the
24 Bates Stamp 0360470.

25 A. Uh-huh.

1 Q. The last paragraph says, Of course, pass
2 this whole time. At this point, I'm a bit frustrated
3 with the price.

4 A. The top there.

5 Yeah, it looks like he was frustrated with
6 the price.

7 Q. And then in the paragraph above it, toward
8 the end, he says, I had my first child six months
9 ago, and I'm now considering what to do about my
10 position.

11 Is he asking you whether he should hold or
12 sell?

13 MR. HORTON: Objection.

14 A. I don't think he's asking anything.

15 Q. Did anyone at the company ever tell you how
16 to respond to someone who is asking about their
17 investment?

18 MR. HORTON: Objection to form.

19 A. Did anybody in the company ever ask me how
20 to respond if someone had questions around what they
21 should do with their XRP holdings?

22 Q. Yes.

23 A. No.

24 Q. Did you tell [REDACTED] in response to his
25 email that you believe Ripple's efforts would lead to

1 an increase in XRP value?

2 MR. HORTON: Objection.

3 A. No, I don't think so.

4 Q. In the middle of the first paragraph, on
5 the very first page, you wrote -- you write, The team
6 is so strong, [REDACTED] They work so hard and are so
7 smart, sometimes it feels like there is no way we can
8 lose.

9 What are you talking about when you say
10 "there is no way we can lose"?

11 A. There's no way we won't be successful.

12 Q. Then towards the end, in the middle of the
13 page, you say, As for price, [REDACTED] I have no idea
14 in the short to medium term. The truth is our market
15 is too small right now to have a good sense of where
16 the price is going in the short term. What I can
17 tell you is that if we execute this year, I will be
18 really surprised if the price stays where it is.

19 Were you communicating in this email that
20 you believe the price would increase based on what
21 Ripple was doing?

22 MR. HORTON: Objection to form.

23 A. I've said this a few times now, but -- it's
24 always important to couch these things within the
25 context of a broader crypto market. You couldn't

1 help but be bullish crypto, if you were in crypto.

2 Otherwise, what's the point of being in crypto, in
3 some respects.

4 And I -- I mention it here, that the market
5 was so small, it wasn't on any exchanges. I can't
6 remember if this is before or after the time I wrote
7 the email where I was like, Crypto rallied. He did
8 nothing because he wasn't part of crypto.

9 So when I read these emails, it kind of --
10 immediately takes me back to just how nascent, and
11 barren in some respects, you know, the overall
12 liquidity pool was and how little connected that
13 liquidity pool was to the rest of it.

14 Q. Did you represent to [REDACTED] that you felt
15 that there was a lot of potential for XRP?

16 MR. HORTON: Objection to form.

17 A. I -- I don't see that here.

18 Q. Well, you write, What I can tell you is
19 that, if we execute this year, I will be really
20 surprised if the price stays where it is.

21 So are you saying that if Ripple executes
22 on certain initiatives, the price will increase?

23 MR. HORTON: Objection to form.

24 A. There's more context here, which I think is
25 important.

1 So if you look at the end of [REDACTED] email
2 where he says, Large transfers made by [REDACTED]
3 dumping on Poloniex, yadda, yadda. I think at this
4 point, this was the lowest the price had been for a
5 long time. I can't remember exactly. But there had
6 been some large sales in the market.

7 And as I'm thinking through this now, I'm
8 remembering a little bit. Yeah, I think it was
9 the -- I think the lowest it had been in, like, three
10 or four years.

11 So I -- I'm -- I'm certainly not -- I'm not
12 communicating that the price is going to go any
13 lower.

14 All I'm saying is I'd be surprised if it
15 stays where it is.

16 Q. Because of everything that Ripple was
17 doing?

18 MR. HORTON: Objection.

19 A. I think, in general, it was unlikely to
20 stay that low.

21 Q. Why?

22 A. Because that was the lowest it had been in
23 years.

24 Q. Well, what was the price in 2017 -- at this
25 point?

1 A. I think -- I think in February, it got down
2 to 4 tenths of a penny, 4 1/2 tenths of a penny,
3 something like that, which I know -- you know, now we
4 say 6 1/2 tenths of a penny versus 4 1/2 tenths of a
5 penny doesn't feel like much, but that's a 33 percent
6 dip.

7 MS. WAXMAN: Exhibit 40.

8 (Email re: XRP Markets Update, Bates
9 0032680 to -81, was marked MV Exhibit 40 for
10 identification, as of this date.)

11 (Witness reviewing document.)

12 Q. Do you recall this email?

13 A. I do not.

14 Q. The bottom email, why did you send this
15 email?

16 MR. HORTON: Objection.

17 A. I don't remember.

18 Q. Did you send this email to a distribution
19 list?

20 MR. HORTON: Objection.

21 Q. Or to a group of people?

22 A. If I remember correctly, this went to
23 leadership.

24 Q. And what is the email about?

25 A. It's a commentary on market activity in

1 XRP.

2 Q. And why were you providing leadership with
3 commentary on XRP trading market?

4 A. If I remember correctly, I think I was
5 asked to do this periodically. It was part of the
6 responsibility, overall.

7 Q. Is the email talking about chatter about
8 Ripple's escrow announcement?

9 MR. HORTON: Objection to form.

10 A. It mentions it.

11 Q. Okay. And did you believe the chatter
12 about the escrow had caused XRP's price to increase?

13 A. At the time, I did, yes.

14 Q. And was the escrow announcement significant
15 for Ripple?

16 MR. HORTON: Objection to form.

17 A. The -- sort of, after the -- when we
18 announced it, you mean?

19 Q. So was the fact that Ripple was considering
20 putting its XRP in escrow significant?

21 MR. HORTON: Objection to form.

22 A. Significant to whom?

23 Q. Significant to the market.

24 MR. HORTON: Same objection.

25 A. I don't know.

1 Q. Did the escrow reduce overhang, which was a
2 concern by speculators?

3 MR. HORTON: Objection to form.

4 A. I don't know.

5 Q. What was the goal of the escrow?

6 MR. HORTON: Objection to form. Lack of
7 foundation.

8 A. The -- the primary -- this kind of goes
9 back a little bit to our conversation around clarity
10 and transparency.

11 You know, the -- the primary goal was to
12 remove any doubts -- I have to go back a little bit.
13 There had been a lot FUD around Jed selling way
14 before I joined the company, a very well-publicized
15 incident where Jed said he was going to sell all his
16 XRP. It was very dramatic for crypto.

17 And it felt like there was still some of
18 that -- those lingering concerns about Ripple having
19 so much XRP accessible at any time, and -- you know
20 having concerns around, you know, if the company got
21 into trouble somehow and needed money that they might
22 just turn around and sell all of its XRP.

23 So the primary reason was to sort of remove
24 that risk. We got some suggestions from folks about
25 the best way to remove that risk is just to destroy

1 all the XRP. We thought that might be a little
2 aggressive, and this could be a good middle ground.

3 Q. And was it the risk that Ripple could sell
4 all of its XRP into the market?

5 MR. HORTON: Objection to form.

6 A. I don't know that it was all the XRP or
7 some of the XRP, but it was just that, you know,
8 Ripple could sell a large amount of XRP.

9 Q. And Ripple sales would have a negative
10 impact on price?

11 MR. HORTON: Objection.

12 A. If -- if they're large enough they could.

13 Q. Was the escrow one of the things Ripple did
14 to get XRP kind of out of its corner?

15 MR. HORTON: Objection to form.

16 A. If I think of kind of how the other crypto
17 currencies get distributed, so Bitcoin in particular,
18 proof of work and how it's algorithmic and incredibly
19 well known, it's public. So that's just not
20 something that the market has any concerns about, the
21 amount of supply coming online at any given time
22 because it's known.

23 If we think of a random cryptocurrency not
24 having that attribute or not having clarity of
25 supply, you could think of it as having challenges,

1 as being part of crypto. One of these things is not
2 like the other.

3 I think the escrow was an attempt at
4 almost -- you know, I think that -- the escrow
5 married with programmatic sales, which we were public
6 with, I think started to put in place. Something
7 that was akin to, you know, that algorithmic very
8 public supply schedule, which XRP just didn't have.

9 Q. Was one of the reasons XRP did not have
10 clarity of supply because Ripple owned most of it,
11 and could sell it at any point into the market?

12 MR. HORTON: Objection to form.

13 A. No. The -- and I'm not a technical expert
14 so I don't want to dive too deep in here, but it's
15 more because of the consensus mechanism. The fact
16 that it's not a proof-of-work blockchain means that
17 you don't have kind of the rewards being build out
18 for mining blocks or for validating blocks. So it's
19 just a different mechanism.

20 Q. Did Ripple understand -- did Ripple believe
21 that by implementing the escrow it would cause an
22 increase in XRP price?

23 MR. HORTON: Objection to form.

24 A. I -- so I -- no.

25 What -- the company, I don't know what

1 the -- with --

2 Q. Did you believe that the escrow -- by
3 implementing the escrow it would have a positive
4 impact on XRP's price?

5 A. Yeah, I thought it would be beneficial.

6 Q. Why?

7 A. Well, just kind of think of it almost like
8 a -- I think of the price of something as kind of the
9 expected value of something. You think about
10 probabilities of outcomes, and you removed the big
11 probability, like one big outcome has been removed.
12 The probability that 60 billion XRP get sold in one
13 day is gone. Likely the probability that, well, now
14 the probability that anything but 1 billion XRP in a
15 month -- or a day, which is, I guess, technically
16 what could have happened, all those other
17 probabilities get -- they're just not possible
18 anymore.

19 So the -- the chances that you get, like,
20 incredible supply guts -- or gluts -- is gone. That
21 shouldn't be bad for the price. I -- I -- I guess.
22 At the same time, I mean -- I'll shut up.

23 Q. Absent the escrow, was there a concern by
24 XRP holders that Ripple could sell a large portion of
25 its holdings?

1 MR. HORTON: Objection to form.

2 A. Hard for me to speak to all XRP holders.

3 But it -- if I remember correctly, it's
4 stuff that I read or heard from folks.

5 Q. Did you hear that directly from OTC
6 purchasers?

7 A. Not that I remember.

8 Q. And where did you read that?

9 A. I don't remember.

10 MR. HORTON: Objection to form.

11 Q. Did you read that on XRP Chat?

12 A. I don't remember.

13 Q. Were -- did you understand that XRP holders
14 and XRP speculators were concerned that Ripple could
15 sell its XRP at any time into the market?

16 MR. HORTON: Objection to form.

17 A. Again, hard for me to speak for everybody,
18 but I felt like I had that impression, felt that
19 impression.

20 Q. Did others at Ripple have that impression
21 as well?

22 MR. HORTON: Objection to form.

23 A. I can't remember anybody specifically, but
24 I think so.

25 Q. Did Brad Garlinghouse share that view?

1 MR. HORTON: Objection to form.

2 A. I don't know.

3 Q. Did Chris Larsen share that view as well?

4 MR. HORTON: Objection.

5 MS. COWAN: Objection.

6 A. I don't know.

7 Q. Are you familiar with an entity called

8 [REDACTED] --

9 MR. HORTON: Sorry, Counsel. Are you done
10 with this document?

11 MS. WAXMAN: Yes.

12 MR. HORTON: Can we take a short break?

13 MS. WAXMAN: Yes. We're off the record at
14 2:49.

15 THE VIDEOGRAPHER: Going off the record at
16 2:49 p.m. Eastern.

17 (A recess was taken from 2:49 to 3:02.)

18 THE VIDEOGRAPHER: We are back on the
19 record at 3:02 p.m. Eastern.

20 Q. Mr. Vias, are you familiar with an entity
21 called [REDACTED]?

22 A. I -- yes, yes.

23 Q. What is [REDACTED]?

24 A. I'm not 100 percent sure. I want to tell
25 you what I -- what I remember it being. I don't know

1 if it still is.

2 So [REDACTED] was a -- it's a company that
3 provided software to digital currency exchanges with
4 a matching engine.

5 Q. Did Ripple ever partner with [REDACTED]

6 MR. HORTON: Objection to form.

7 A. I don't remember if we ever actually inked
8 a deal with [REDACTED]

9 Q. How did you come to learn about [REDACTED]?

10 A. I don't remember.

11 MS. WAXMAN: Exhibit 50.

12 (Email from Mr. Vias to [REDACTED] re:

13 Call Notes: [REDACTED] Bates 0762086, was
14 marked MV Exhibit 50 for identification, as of
15 this date.)

16 Q. Mr. Vias, I'm showing you what's been
17 marked MV 50, with the Bates 0762086.

18 A. Okay.

19 (Witness reviewing document.)

20 A. Okay.

21 Q. Does this refresh your memory about [REDACTED]
22 and whether Ripple entered into any partnership or
23 deal with [REDACTED]?

24 MR. HORTON: Objection to form.

25 A. It does not.

1 Q. Did Ripple sell XRP to [REDACTED]?

2 A. I don't think so.

3 I don't remember doing so. No.

4 Q. Did [REDACTED] sell XRP to its customers?

5 MR. HORTON: Objection to form.

6 A. I don't know.

7 Q. At the very top is an email from you to

8 [REDACTED] Who is [REDACTED]?

9 A. [REDACTED] was a member of the BD team.

10 Q. And did you report to [REDACTED]?

11 A. No.

12 Q. Why were you letting him know about [REDACTED]?

13 A. I think this -- I sent out a -- a -- this
14 is a quick, kind of, recap for a meeting that we had
15 with [REDACTED] the CEO.

16 If I remember correctly, we used to send
17 these call notes out to the BD team broadly. So I
18 can't remember if it was a distribution email or if
19 it was individuals. I think it was just BD at
20 Ripple. And we would just send off the calls notes
21 for visibility so folks knew what conversations were
22 being had.

23 Q. You write about the -- about [REDACTED] at the
24 very top. They will just be buying XRP, but it's a
25 great sign that retail brokers are jumping in.

1 What did you mean by "retail brokers"?

2 A. Yeah, I don't -- I'm -- I'm a little
3 confused by this, to be honest. Because I -- this is
4 not how I remember [REDACTED]

5 So I'm just having trouble remembering this
6 thread.

7 Q. Well, other than in connection with [REDACTED]
8 what do you mean by the term "retail brokers"?

9 MR. HORTON: Objection to form.

10 A. So -- if there isn't a direct analog to
11 cryptocurrency exchanges in FX markets. We don't --
12 in the States, FX trading isn't as popular as it is
13 in the UK or Europe, in some parts. So we don't
14 have, like, FX exchanges.

15 The way I understand it -- I wasn't an FX
16 expert, but the way I understand the FX market is
17 that as of -- instead of having those exchanges,
18 there are retail brokerages where -- you can get
19 access to FX as a more retail-type trader, but it's
20 more -- it's broker. So it's not like a matching
21 engine where you're just matching up with somebody
22 and you don't know who it is.

23 I think the way retail brokerages in FX
24 work is you pair off against a broker. But honestly,
25 I'm not sure.

1 Q. So was the purpose of reaching out to [REDACTED]

2 to make XRP available for retail purchasers?

3 MR. HORTON: Objection to form.

4 A. I don't remember. Why we reached out to

5 [REDACTED] It looks like it was an introduction from

6 [REDACTED]

7 Q. And what is [REDACTED]?

8 A. [REDACTED] is a software provider for

9 over-the-counter trading.

10 Q. For whom? Who would use it?

11 A. [REDACTED] as an example, uses

12 [REDACTED]

13 MS. WAXMAN: Exhibit 58, please.

14 (Email chain re: Quick Thoughts on XRP

15 Sequencing, Bates 0048430 through -433, was

16 marked MV Exhibit 58 for identification, as of

17 this date.)

18 Q. Mr. Vias, I'm showing you what's been

19 marked as MV 58, which has the Bates 0048430 through

20 -433.

21 (Witness reviewing document.)

22 A. Okay.

23 Q. Do you recall sending this email, in

24 August 2017?

25 A. I don't.

1 Q. What was going on in the XRP market in
2 August 2017?

3 MR. HORTON: Objection to form.

4 Q. I mean earlier we -- you spoke about in
5 early 2017 that there wasn't enough publicity into
6 XRP. Had that changed in August 2017?

7 MR. HORTON: Objection to form. I'm not
8 sure that's what he testified.

9 A. Did I use that word?

10 Q. No.

11 Well, what was the market like in
12 August 2017?

13 A. I -- I don't -- that's a broad question.
14 I'm not sure -- I -- I don't know.

15 Q. How did the market for XRP compare in
16 August -- how did it -- in August 2017, what was the
17 market like compared to the market in early 2017?

18 A. I think it was better. I think we had -- I
19 think XRP was listed on more exchanges at that point.
20 If I remember correctly, Kraken had listed. Bitstamp
21 had listed. I think we had a few of the Korean
22 exchanges it listed.

23 I think at this point, we had [REDACTED]
24 [REDACTED] OTC, which was good. We may have had either
25 [REDACTED] or [REDACTED] that's the hardware wallets, extend

1 support for XRP. So I think volumes were up.

2 I think the price at this point had come
3 off its highs, in May. I can't remember what the
4 price was, but I think, in general, it was better.

5 Q. Did you still have those concerns that you
6 had earlier in the year about XRP -- I don't want to
7 put words in your mouths, but you had -- you
8 mentioned earlier that you did have concerns about
9 XRP early in 2017.

10 A. Yeah --

11 MR. HORTON: Objection to form.

12 A. Sorry.

13 Yeah, concerns that it wasn't -- it wasn't
14 participating broadly in the rest of the crypto
15 markets. It really wasn't part of that.

16 I think less so. I think less so, but
17 not -- clearly, as I'm outlining in this email, there
18 was still things to do.

19 Q. In the email, you -- to Patrick, on the
20 second page of the top, you say, On the back of my
21 email exchange with Brad over the weekend and the
22 leadership off-site this week, I wanted to give you a
23 quick overview of what I think we need to do over the
24 next few months to keep XRP's momentum going.

25 What momentum are you talking about?

1 A. I don't remember specifically.

2 Q. Are you talking about momentum in terms of
3 XRP price?

4 MR. HORTON: Objection.

5 A. I -- I doubt it. I think at this point,
6 the price had come off pretty significantly from the
7 highs, in May or June, whatever that was.

8 Q. Are you talking -- sorry, go on.

9 A. I think I mean more about just the market
10 development. The liquidity kind of -- the
11 unstuckness, if you will. Starting to get unstuck
12 from that little corner that I described before.

13 Q. What was market sentiment like at the time
14 for XRP?

15 MR. HORTON: Objection to form.

16 A. I don't know.

17 Q. Was it positive?

18 MR. HORTON: Objection to form.

19 A. I don't know.

20 Q. Were retail investors excited about XRP in
21 late 2017?

22 MR. HORTON: Objection to form.

23 A. I don't know.

24 Q. What do you recommend Ripple do to keep the
25 momentum going?

1 A. Sorry, I just -- I've listed them. I'm not
2 going to read them to you.

3 Q. Are many of the things that you've
4 recommended, relate to making XRP more readily
5 available on platforms?

6 MR. HORTON: Objection to form.

7 A. Sorry. Can you repeat that again?

8 Q. Are the items that you list, are they
9 related to making XRP more readily available for
10 trading on platforms?

11 A. Some of these are. Yeah.

12 Q. And the ones that are not related to
13 platforms, what are -- what do they relate to?

14 A. So there's an xRapid mentioned, around --
15 you know, the pilots. That really speaks more to
16 kind of the signaling to the payments industry is
17 that we have a product.

18 The other one I think that's not related at
19 all to -- to anything exchange-wise is the blockstack
20 support for XRP, which is really more technical- and
21 developer-focused. And then the ACH launch at Kraken
22 and Bitstamp, really, I think, if I remember
23 correctly, revolved around ease of use for xRapid.

24 Q. You said the xRapid pilot was more of a
25 signal. Correct?

1 A. Yeah.

2 Q. Is that because at the time xRapid
3 wasn't -- hadn't been commercially adopted yet?

4 MR. HORTON: Objection to form.

5 A. I mean it was a pilot. Remember, I think
6 we sketched out xRapid on a whiteboard in March.

7 This is August. It's not even five months later.

8 I think we're talking about launch of
9 xRapid of a pilot in October.

10 Q. So nobody was using xRapid at the time.

11 MR. HORTON: Objection to form.

12 A. I think xRapid was not ready to be used.

13 Q. Okay. So why would listings, XRP's
14 listings help the -- XRP's momentum?

15 A. So if you're going to take it to -- it's --
16 it's -- at the end state, the long-term goal, there's
17 a network of really liquid exchanges, all connected
18 with Ripple APIs, that each one of which facilitates
19 transfer of value from one -- from one of those
20 exchanges to any one of the other ones. And that
21 network of liquidity and volume being used by payment
22 providers, like MoneyGram, the America's [REDACTED]

23 [REDACTED] International ones as well.

24 How do you do that? You have to start with
25 the exchanges, obviously, and getting those listings,

1 and getting those books and getting those books
2 liquid. And you've to keep building. You have to
3 keep getting listings. Part of it is a general --
4 like -- you know, you can't have only the xRapid
5 exchanges be liquid. That would be odd.

6 So you still have this overarching goal of,
7 okay, like general liquidity health, general market
8 health. So lot of this is -- some of that; and some
9 of it is an anticipation of what we're going to do in
10 the future.

11 So SCI. SCI is a Filipino exchange. We
12 wanted to go into the Philippines next. That was
13 what SCI was about. I'm actually surprised that
14 coins.ph is not on here, because that ended up being
15 a big part of the Philippines strategy as well.

16 So there is -- you know, at the end of '17,
17 early '18, we -- you know, we start to get a kind of
18 differing of priorities. Some of the foundational
19 liquidity building had been done; a lot of it not by
20 us. Organically, as the markets, you know, really
21 grew in crypto, folks start listing XRP on their own.
22 We can start now to be a little more strategic about
23 where we want to target XRP listings and tie them a
24 little bit more closely to the broader product
25 strategy.

1 And I think, you know, BitOasis, I don't
2 know if we ever get the BitOasis launch or deal.
3 That was one another, because we -- we had ideas
4 around the Middle East in money movement.

5 So yeah, if that answers your question.

6 Q. But at this time, in August 2017, this was
7 all prospective.

8 MS. COWAN: Objection.

9 Q. The work on xRapid, and exchanges that
10 would integrate xRapid.

11 MS. COWAN: Objection.

12 MR. HORTON: Hang on. She is going to ask
13 a question.

14 Q. The work that you were doing was -- in
15 relation to xRapid was for something in the future.

16 MS. COWAN: Same objection.

17 A. How do you get to the future if you don't
18 plan in the present? Yeah, this is laying out some
19 of the strategy to get us to that end state. This is
20 some of the sequencing I thought we needed.

21 Q. And did you think the sequencing encouraged
22 speculative trading volume?

23 A. I don't know.

24 Q. Was part of the sequencing to get more
25 speculation so that at some point in the future, XRP

1 could be used for payments?

2 MR. HORTON: Objection to form.

3 A. I think speculation is an important part of
4 a healthy market.

5 Q. Did you think speculation was a precursor
6 to getting XRP adopted for payments?

7 MR. HORTON: Objection to form.

8 A. I wouldn't be so far as a precursor, but
9 I think it would be harder to do it without it.

10 Q. Did Ripple work to encourage speculative
11 trading?

12 MR. HORTON: Objection to form.

13 A. No.

14 Q. Did it promote XRP as a speculative
15 investment?

16 MR. HORTON: Objection to form.

17 A. No. Not that I know.

18 Q. How else could you get XRP -- how else
19 could you grow the XRP market other than through
20 speculative trading?

21 MR. HORTON: Counsel, who are you referring
22 to when you say "you"?

23 MS. WAXMAN: I'm talking about Miguel, who
24 is head of XRP markets, and his position as head of
25 XRP markets at Ripple.